

**CALDWELL PARISH LIBRARY**  
**Columbia, Louisiana**

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 2011**  
**With Supplemental Information Schedules**

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
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**MARY JO FINLEY, CPA, INC.**

*A PROFESSIONAL CORPORATION*

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**Independent Auditor's Report**

**CALDWELL PARISH LIBRARY**  
Columbia, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of the Caldwell Parish Library, a component unit of the Caldwell Parish Police Jury, as of December 31, 2011, and for the year then ended, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Caldwell Parish Library's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

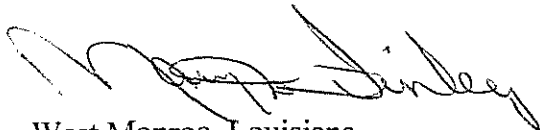
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Caldwell Parish Library as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 8, the budgetary comparison information on pages 26 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
Independent Auditor's Report,  
December 31, 2011

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caldwell Parish Library's office basic financial statements as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Caldwell Parish Library. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 15, 2012, on the Caldwell Parish Library's compliance with laws and regulations, and my consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, appearing to read "M. J. Finley", is written over the printed name and date.

West Monroe, Louisiana  
June 15, 2012

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

**Management's Discussion and Analysis**  
December 31, 2011

As management of the Caldwell Parish Library, we offer readers of the Caldwell Parish Library's financial statements this narrative overview and analysis of the financial activities of the Caldwell Parish Library for the year ended December 31, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Library's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Caldwell Parish Library's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

The Caldwell Parish Library adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Caldwell Parish Library's performance.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Caldwell Parish Library exceeded liabilities by \$864,024. Approximately 21% of the Caldwell Parish Library's net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Caldwell Parish Library to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets.

STATEMENT OF NET ASSETS		
ASSETS	2011	2010
Cash and cash equivalents	\$345,649	\$294,999
Receivables	370,831	299,623
Capital assets (net of accumulated depreciation)	<u>174,877</u>	<u>186,150</u>
<b>TOTAL ASSETS</b>	<b><u>\$891,357</u></b>	<b><u>\$780,772</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$17,727	\$15,472
Payroll taxes payable	5,179	7,054
Deferred revenue	<u>4,427</u>	<u>4,427</u>
<b>TOTAL LIABILITIES</b>	<b><u>27,333</u></b>	<b><u>26,953</u></b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	174,877	186,150
Unrestricted	<u>689,147</u>	<u>567,669</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$864,024</u></b>	<b><u>\$753,819</u></b>

STATEMENT OF ACTIVITIES		
Culture and recreation:		
Personal services	\$101,935	\$139,822
Operating services	139,180	135,509
Materials and supplies	10,953	11,485
Travel	278	215
Depreciation expense	<u>39,400</u>	<u>38,652</u>
Total Program Expenses	<u>291,746</u>	<u>325,683</u>
Program revenues:		
Fines and forfeitures	<u>5,263</u>	<u>3,833</u>
Net Program Expenses	<u>(286,483)</u>	<u>(321,850)</u>
General revenues		
Taxes - ad valorem	364,477	313,546
Intergovernmental:		
State revenue sharing	11,946	12,313
Other state grants		13,656
Interest earned	1,619	4,138
Gain on disposal of asset	155	
Other revenue	<u>18,492</u>	<u>8,444</u>
Total general revenues	<u>396,689</u>	<u>352,097</u>
Change in Net Assets	110,206	30,247
Net Assets - Beginning of year	<u>753,819</u>	<u>723,572</u>
Net Assets - End of year	<b><u>\$864,025</u></b>	<b><u>\$753,819</u></b>



## **Financial Analysis of the Government's Funds**

As noted earlier, the Caldwell Parish Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the General Fund unreserved, undesignated fund balance of \$689,147 showed an increase of \$121,478 over December 31, 2010.

### **General Fund Budgetary Highlights**

There were no differences between revenues of the December 31, 2011 original budget and the final budget. The primary difference between expenditures of the original budget and the final budget was due to an increase in operating services and capital outlay.

### **Capital Asset and Debt Administration**

**Capital assets.** The Caldwell Parish Library's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$174,877 (net of accumulated depreciation). This investment includes furniture and equipment, automation and library materials. The increase in capital assets for the year was \$28,282, and there was a decrease of \$10,628.

**Long-term debt.** At the end of the fiscal year, Caldwell Parish Library had no debt outstanding.

### **Requests for Information**

This financial report is designed to provide a general overview of the Caldwell Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Caldwell Parish Library, P.O. Box 1499, Columbia, LA 71418.

June 15, 2012

## **BASIC FINANCIAL STATEMENTS**

**Statement A****CALDWELL PARISH LIBRARY**  
Columbia, Louisiana**STATEMENT OF NET ASSETS**  
December 31, 2011**ASSETS**

Cash and cash equivalents	\$345,649
Receivables	370,831
Capital assets (not depreciated)	20,000
Capital assets (net of accumulated depreciation)	<u>154,877</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$891,357</u></u></b>

**LIABILITIES**

Accounts payable	\$17,727
Payroll and related payable	5,179
Deferred revenue	<u>4,427</u>
<b>TOTAL LIABILITIES</b>	<b><u>27,333</u></b>

**NET ASSETS**

Invested in capital assets, net of related debt	174,877
Unrestricted	<u>689,147</u>
<b>TOTAL NET ASSETS</b>	<b><u><u>\$864,024</u></u></b>

The accompanying notes are an integral part of this statement.

## Statement B

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

STATEMENT OF ACTIVITIES  
December 31, 2011

Culture and recreation:	
Personal services	\$101,935
Operating services	139,180
Materials and supplies	10,953
Travel	279
Depreciation expense	39,400
Total Program Expenses	<u>291,747</u>
Program revenues:	
Fines and forfeitures	<u>5,263</u>
Net Program Expenses	<u>(286,484)</u>
General revenues	
Taxes - ad valorem	364,477
Intergovernmental -	
State revenue sharing	11,946
Interest earned	1,619
Gain on disposal of assets	155
Other revenue	<u>18,492</u>
Total general revenues	396,689
Change in Net Assets	110,205
Net Assets - Beginning of year	<u>753,819</u>
Net Assets - End of year	<u><u>\$864,024</u></u>

The accompanying notes are an integral part of this statement.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2011

**ASSETS**

Cash and cash equivalents	\$345,649
Receivables	<u>370,831</u>
TOTAL ASSETS	<u><u>\$716,480</u></u>

**LIABILITIES AND FUND EQUITY**

## Liabilities:

Accounts payable	\$17,727
Payroll and related payable	5,179
Deferred revenue	<u>4,427</u>
TOTAL LIABILITIES	27,333

Fund Equity - fund balances -  
unassigned689,147

TOTAL LIABILITIES AND FUND EQUITY

\$716,480

The accompanying notes are an integral part of this statement.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2011

Total Fund Balances - Governmental Funds (Statement C)		<u>\$689,147</u>
Cost of capital assets	\$836,278	
Less: Accumulated depreciation	<u>(661,401)</u>	<u>174,877</u>
Net Assets (Statement A)		<u><u>\$864,024</u></u>

The accompanying notes are an integral part of this statement.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,  
and Changes in Fund Balances

For the Year Ended December 31, 2011

**REVENUES**

Taxes - ad valorem	\$364,477
Intergovernmental revenues -	
State revenue sharing	11,946
Fines and forfeitures	5,263
Use of money and property - interest earnings	1,619
Other revenues	18,492
Total revenues	<u>401,797</u>

**EXPENDITURES**

Culture and recreation:	
Current:	
Personal services	101,935
Operating services	139,180
Materials and supplies	10,953
Travel and other charges	279
Capital outlay	28,282
Total expenditures	<u>280,629</u>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	121,168
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<b>OTHER FINANCING SOURCE - Sale of assets</b>	<u>310</u>
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<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES</b>	121,478
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<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>567,669</u>
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<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$689,147</u></u>
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The accompanying notes are an integral part of this statement.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2011

Total net change in fund balances - governmental funds (Statement D)	\$121,478
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Amounts reported for governmental activities in the Statement of Activities are different because:

Proceeds from the disposal of assets is reported as revenue in governmental funds. However, in the Statement of Activities, any proceeds are used to determine any gain or loss on the disposal of assets. This the gross amounts of gains (loss) for the year before applying proceeds from the disposal.	(155)
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	<u>(11,118)</u>
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Change in net assets of governmental activities (Statement B)	<u>\$110,205</u>
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The accompanying notes are an integral part of this statement.



CALDWELL PARISH LIBRARY  
Columbia, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended December 31, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Caldwell Parish Library was established by the Caldwell Parish Police Jury, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The library is governed by a board of control which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

The accompanying financial statements of the Caldwell Parish Library have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Caldwell Parish Police Jury is the financial reporting entity for Caldwell Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on

## CALDWELL PARISH LIBRARY

Columbia, Louisiana

### Notes to the Financial Statements (Continued)

that organization and/or

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the library board of control and the library provides services to all residents of Caldwell Parish, the Caldwell Parish Library was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### **B. BASIC FINANCIAL STATEMENTS- GOVERNMENT-WIDE STATEMENTS**

The library's basic financial statements include both government-wide (reporting the library as a whole) and fund financial statements (reporting the library's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the library are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the library.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The library first uses restricted resources to finance qualifying activities.

## CALDWELL PARISH LIBRARY

Columbia, Louisiana

### Notes to the Financial Statements (Continued)

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the library's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the library's general revenues.

**Allocation of Indirect Expenses** - The library reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

## C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the library are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (capital assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to

## CALDWELL PARISH LIBRARY

Columbia, Louisiana

### Notes to the Financial Statements (Continued)

account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The library's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

#### **D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

##### **1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

##### **2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is

## CALDWELL PARISH LIBRARY

Columbia, Louisiana

### Notes to the Financial Statements (Continued)

recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

#### **Revenues**

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the library is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees, fines, and forfeitures have been treated as susceptible to accrual.

#### **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### **E. CASH AND CASH EQUIVALENTS**

Under state law, the library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2011, the library has cash and cash equivalents (book balances) totaling \$345,649.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

Petty cash	\$50
Demand deposits	129,480
Time deposits	<u>216,119</u>
Total	<u><u>\$345,649</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2011, are secured as follows:

Bank balances	<u><u>\$348,483</u></u>
Federal deposit insurance	\$296,572
Pledged securities (uncollateralized)	<u>150,000</u>
Total	<u><u>\$446,572</u></u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the library's name.

#### **F. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the library, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

#### **G. ANNUAL AND SICK LEAVE**

Employees receive from ten to twenty-two days of vacation leave each year, depending on length of service and professional status. Sick leave is earned at the rate of ten days each year and employees may accumulate sick leave. There is no maximum number of sick days that can be accumulated.

#### **H. RISK MANAGEMENT**

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2011.

#### **2. LEVIED TAXES**

The ad valorem tax millage levied by the library was 7.06 mills for the year ended December 31, 2011. The authorized millage for the is 6.5 mills. The current tax expires in 2011. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2011 assessed valuation:

	<u>2011 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Regency Intrastate	\$15,524,250	24.00%
Texas Gas Transmission Corp.	3,140,040	4.85%
Entergy Louisiana, Inc	2,247,170	3.47%
Homeland Federal Savings Bank	1,514,870	2.34%
Union Pacific Railroad Company	1,394,340	2.16%
Plum Creek Timber Company, LP	1,404,860	2.17%

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

	2011 Assessed Valuation	% of Total Assessed Valuation
Precision Drilling Oilfield Services	\$1,135,710	1.76%
Caldwell Bank & Trust Company	967,440	1.50%
XTO Energy Inc	888,220	1.37%
Bellsouth Telecommunications	768,970	1.19%
Total	<u>\$28,985,870</u>	<u>44.81%</u>

### 3. RECEIVABLES

The General Fund receivables of \$370,831 at December 31, 2011, are as follows:

<u>Class of receivables:</u>	
Taxes - ad valorem	\$362,857
Intergovernmental revenues -	
State revenue sharing (net)	7,974
Total	<u>\$370,831</u>

### 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2011, follows:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Land	\$20,000			\$20,000
Buildings	236,300			236,300
Furniture	27,258		(\$258)	27,000
Equipment	120,498	\$5,935	(2,570)	123,863
Books	414,568	22,347	(7,800)	429,115
Total	<u>818,624</u>	<u>28,282</u>	<u>(10,628)</u>	<u>836,278</u>
Less accumulated depreciation	<u>(632,474)</u>	<u>(39,400)</u>	<u>10,473</u>	<u>(661,401)</u>
Net capital assets	<u>\$186,150</u>	<u>(\$11,118)</u>	<u>(\$155)</u>	<u>\$174,877</u>

### 5. PENSION PLAN

Substantially all employees of the Caldwell Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.



## CALDWELL PARISH LIBRARY

Columbia, Louisiana

### Notes to the Financial Statements (Continued)

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Caldwell Parish Library is required to contribute at an actuarially determined rate. The current rate is 15.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Caldwell Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caldwell Parish Library's contributions to the System under Plan A for the years ending December 31, 2011, 2010, and 2009, were \$10,913, \$13,810 and \$11,537, respectively, equal to the required contributions for each year.

## **6. LITIGATION AND CLAIMS**

The Caldwell Parish Library is not involved in any litigation at December 31, 2011, nor is it aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

Caldwell PARISH LIBRARY  
Columbia, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes - ad valorem	\$235,000	\$235,000	\$364,477	\$129,477
Intergovernmental revenues -				
State revenue sharing	12,397	12,397	11,946	(451)
Fines and forfeitures	3,250	3,250	5,263	2,013
Use of money and property - interest earnings			1,619	1,619
Other revenues			18,492	18,492
Total revenues	<u>250,647</u>	<u>250,647</u>	<u>401,797</u>	<u>151,150</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Current:				
Personal services and related benefits	94,276	94,276	101,935	(7,659)
Operating services	138,700	147,936	139,180	8,756
Materials and supplies	5,000	6,132	10,953	(4,821)
Travel and other charges	400	400	279	121
Capital outlay	22,100	33,571	28,282	5,289
Total expenditures	<u>260,476</u>	<u>282,315</u>	<u>280,629</u>	<u>1,686</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(9,829)	(31,668)	121,168	152,836
<b>OTHER FINANCING SOURCE</b>				
Sale of assets			310	310
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	(9,829)	(31,668)	121,478	153,146
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>76,000</u>	<u>135,006</u>	<u>567,669</u>	<u>432,663</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$66,171</u>	<u>\$103,338</u>	<u>\$689,147</u>	<u>\$585,809</u>

See accompanying note to budgetary comparison schedule.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended December 31, 2011

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Caldwell Parish Library during the month of December for comments from taxpayers. The budget is then legally adopted by the board and amended during the year, as necessary. The budget is established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

# MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance *Government Auditing Standards***

CALDWELL PARISH LIBRARY  
Columbia, Louisiana

I have audited the basic financial statements of the Caldwell Parish Library, a component unit of the Caldwell Parish Police Jury, as of and for the year ended December 31, 2011 and have issued my report thereon dated June 15, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Caldwell Parish Library's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caldwell Parish Library's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Caldwell Parish Library's internal control over financial reporting.

*A deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.


My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

CALDWELL PARISH LIBRARY  
Columbia, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2011

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Caldwell Parish Library's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Caldwell Parish Library, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana  
June 15, 2012



**CALDWELL PARISH LIBRARY**  
Columbia, Louisiana

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2011**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Caldwell Parish Library.
2. No instances of noncompliance material to the financial statements of the Caldwell Parish Library were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**CALDWELL PARISH LIBRARY**  
Columbia, Louisiana

**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2011**

There were no findings reported in the audit report for the year ended December 31, 2010.